

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

Re: ECF Nos. 7328, 7891

**AAFAF'S JOINDER IN THE OVERSIGHT BOARD'S OPPOSITION TO AMBAC'S
MOTION FOR ENTRY OF ORDER AUTHORIZING DISCOVERY UNDER
BANKRUPTCY RULE 2004 CONCERNING PRIFA RUM TAXES [ECF NO. 7328]**

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), on its own behalf and as an entity authorized to act on behalf of all of Puerto Rico’s governmental entities, including the Debtors as well as non-debtors the Puerto Rico Infrastructure Financing Authority and the Puerto Rico Industrial Development Company, by the *Enabling Act of the Fiscal Agency and Financial Advisory Authority*, Act 2-2017, hereby joins in the Opposition filed by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) [ECF No. 7891] (the “Opposition”)² to *Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning PRIFA Rum Taxes* [ECF No.

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Opposition.

7328] (the “Motion”). AAFAF hereby joins the Opposition and requests that the Motion be denied for the reasons set forth in the Opposition:

1. The Motion should be denied without prejudice or held in abeyance pending the decision from the Title III court on threshold standing issues raised in the Lift-Stay Motion. [ECF No. 7891, Sec. I. at pp. 9–10.]
2. As the Opposition explains, the Motion should be denied because Ambac has not shown good cause for Rule 2004 discovery. Ambac’s discovery requests all relate directly to its three pending lawsuits against the Commonwealth and others, which have been automatically stayed since May 2017. [ECF No. 7891, Sec. II.A. at pp. 11–14.] And the great majority of Ambac’s requests are overbroad, unduly burdensome, and unnecessary to establish Ambac’s claim (if any) regarding the PRIFA rum bonds. [ECF No. 7891, Sec. II.B. at pp. 14–20.]
3. Alternatively, to promote efficiency and conserve the parties’ and the Court’s resources, Ambac’s Motion should be held in abeyance and decided in connection with the resolution of Ambac’s claim against the Commonwealth, if the Court determines that Ambac has a direct claim against the Commonwealth relating to the PRIFA rum bonds. [ECF No. 7891, Sec. III at p. 20.]

[Remainder of page intentionally left blank.]

Dated: July 9, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Suzanne S. Uhland

John J. Rapisardi
Suzanne S. Uhland
(Admitted *Pro Hac Vice*)
O'MELVENY & MYERS LLP
7 Times Square
New York, New York 10036
Tel: (212) 326-2000
Fax: (212) 326-2061

-and-

Peter Friedman
(Admitted *Pro Hac Vice*)
1625 Eye Street, NW
Washington, D.C. 20006
Tel: (202) 383-5300
Fax: (202) 383-5414

*Attorneys for the Puerto Rico Fiscal
Agency and Financial Advisory Authority*

/s/ Luis C. Marini-Biaggi

Luis C. Marini-Biaggi
USDC No. 222301
Email: lmarini@mpmlawpr.com

Carolina Velaz-Rivero
USDC No. 300913
E:mail: cvelaz@mpmlawpr.com

MARINI PIETRANTONI MUÑIZ LLC
250 Ponce de León Ave.Suite 900
San Juan, Puerto Rico 00918
Tel: (787) 705-2171
Fax: (787) 936-7494

*Co-attorneys for the Puerto Rico Fiscal
Agency and Financial Advisory Authority*